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STROOCK & STROOCK & LAVAN LLP
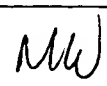180 MAIDEN LANE
NEW YORK, NY 10038

EXAMINER
KYLE, CHARLES R

ART UNIT	PAPER NUMBER
3624	

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Please find below and/or attached an Office communication concerning this application or proceeding.

	Application No.	Applicant(s)
Office Action Summary	09/834,171	MERRIN ET AL.
	Examiner	**Art Unit**	
	Charles R Kyle	3624	*MW*

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *18 May 2004*.

2a)☒ This action is **FINAL**.   2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-42* is/are pending in the application.

    4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-42* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a)☐ All   b)☐ Some * c)☐ None of:

      1.☐ Certified copies of the priority documents have been received.

      2.☐ Certified copies of the priority documents have been received in Application No. _____.

      3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1)☒ Notice of References Cited (PTO-892)

2)☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3)☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date _____.

4)☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .

5)☐ Notice of Informal Patent Application (PTO-152)

6)☐ Other: _____.

DETAILED ACTION

Claim Rejections - 35 USC § 112

The rejection of Claims 23-30 and 38-42 are withdrawn based on Applicants'

amendment.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 1-42 are rejected under 35 U.S.C. 103(a) as being unpatentable over *Silverman* et

al in view of *Millard et al.*

As to Claim 1, *Silverman* discloses the invention as claimed, including in a system for

performing electronic securities trading (Abstract), the elements of:

An electronic trading marketplace for receiving orders for securities and for facilitating

the trading of the securities (Col.1, line 45 to Col. 7, line 30; Fig. 1, ele. 114-116);

An interfacing module (Fig. 1, ele. 113) interfacing with an order management system

database (Fig. 1, ele. 130), and in communication with the ETM for reading data records in the

OMS database reflecting orders for securities (Col. 4, lines 12-24) for automatically providing

information indicating the orders for securities to the ETM (Col. 4, line 25 to Col.5, line 2).

Silverman does not specifically disclose that orders are non-binding indications for the securities derived form OMS database records. *Millard* discloses a non-binding indication at paragraph 334. *Millard* further discloses that an order management system facilitates automatic execution (Para. 34, last six lines) of a firm offer (Para. 34, lines 4-6). The same system also facilitates non-binding indications to trade securities derived from OMS database orders (Para. 34, lines 6-12; Para. 35). It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified *Silverman* by adding the feature of non-binding indications to trade derived from OMS database orders disclosed by *Millard* because this would have added functions of negotiation and trading flexibility to existing trading systems. See *Millard* at Abstract, Para. 75 and at Para.334, last three lines. Further, see *Millard* at Para. 66 regarding known OMSs and their compatibility with the method described at Para. 64-65

As to Applicants' claim language regarding automatically performing trading functions, to the extent that these automatic functions mimic traditionally manual functions, they are given little patentable weight. It is well settled that it is not "invention" to broadly provide a mechanical or automatic means to replace manual activity which has accomplished the same result. See In re *Venner*, CCPA, 120 USPQ 192.

With respect to Claims 2 and 6, *Silverman* discloses trade execution data records at Cols 11-12, "Execution Entry" item. See also *Millard* paras. 218-222. *Millard* specifically discloses that records of executed transactions are stored in a database at paras. 220-221. It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the OMS of *Silverman* to store the executed transaction records of Millard because this

would provide a centralized, accessible database where traders could access executed trade

records.

With respect to Claim 3, *Millard* discloses negotiation for trades at para. 350.

As to Claim 4, *Millard* discloses anonymous negotiation at para. 81.

With respect to Claim 5, *Millard* discloses authentication of traders to trade at paras.

161-164.

With respect to Claim 6, *Silverman* discloses a transaction history module at Cols 11-

12, "Execution Entry" item.

Regarding Claim 7, *Silverman* discloses format conversion between OMS and ETM at

Col. 5, lines 38-49

As to Claim 8, *Millard* discloses filtering of orders at paras. 57, 88 and 89.

Concerning Claim 9, see the discussion of Claim 1 above and *Millard* further discloses

reading orders in a database at paras. 185 and 188. *Silverman* discloses such function at 10, lines

28-34.

With respect to Claim 10, *Silverman* discloses bi-directional transfer of order

information as bi-directional arrows among elements at Fig. 1. Further it would have been

obvious to provide such bi-directional communication to keep the ETM and OMS databases

synchronized with respect to trading data.

With respect to Claims 11 and 12, see the discussions of the claims from which they

depend and Claims 7 and 8 respectively.

With respect to Claim 13, *Silverman* discloses order quantity as a filter parameter at

Col. 4, lines 29-41.

Concerning Claims 14 and 15, *Silverman* discloses updating of order information at Col. 4, lines 29-41. Further see the discussion of synchronization among database in Response to arguments below regarding the necessity of assuring that trading data in differing locations is consistent.

With respect to Claim 16, see the discussion of Claims 1 and 3 and see *Silverman* at Fig. 1, element 113.

Concerning Claim 17, provision of a plurality of resources would be obvious because this would have made the system available to more users. Additionally, throughput of the OIMs would be faster if each OMS had a dedicated OIM. This is essential in securities trading where time is of the essence.

With respect to Claim 18, *Silverman* discloses an ETM indications module for transmitting orders to other traders (keyboard) who also use an EIM module (display) at Col. 3, line 56 to Col. Col. 4, line 11. By definition, a module is a self-contained component that can provide a complete function to a system and can be interchanged with other modules that provide similar functions.

With respect to Claim 19, see the discussion of Claims 18 and 8 above.

With respect to Claim 20, see the discussion of Claims 16 and 4 above.

With respect to Claim 21, see the discussion of Claims 16 and 5 above.

With respect to Claim 22, see the discussion of Claims 16 and 3 above.

With respect to Claim 23, see the discussion of Claim 1 above.

With respect to Claim 24, see the discussion of Claims 23.

With respect to Claims 25 and 26, see the discussion of Claim 7 above.

With respect to Claim 27, see the discussions of Claims 8 and 23 above.

With respect to Claim 28, see the discussion of Claims 27 and 13 above.

With respect to Claim 29, see the discussion of Claim 23 and 14 above.

With respect to Claim 30, see the discussion of Claims 29 and 15 above.

As to Claims 31-37, they are the computer-readable medium form of Claims 9-15 and

are rejected in a like manner.

Concerning Claim 38, se the discussion of Claims 23 and 1.

With respect to Claims 39-41, see the discussion of Claim 23 and Claims 24-26.

Concerning Claim 42, se the discussion of Claims 23 and 13.

Response to Arguments

Applicant's arguments filed April 18, 2004 have been fully considered but they are not

persuasive. Applicants' comments in the May 18 response are reproduced blow. The

Examiner's response to each argument is inserted into the comments and is in bold italics.

The Examiner notes that Applicants' arguments frequently take a form in which it is

stated that a single reference does not disclose the claimed invention. If a single reference

disclosed the claimed invention, the rejection would have been made under 35 USC 102. The

rejections were consistently under 36 USC 103. Alternatively, Applicants argue that a reference

does not disclose a limitation for which the Examiner actually relied on the other reference cited.

Finally, Applicants fail to substantively refute the Examiner's motivation to combine the

references.

Applicants' arguments on art rejections begin at page 16 of the Remarks.

Rejections Under 35 U.S.C. 103

Claims 1-42 stand rejected under 35 U.S.C. §103(a) as being unpatentable over

Silverman et al view of Millard et al. Applicants respectfully submit that neither Silverman nor

Millard, either alone or in combination; teaches or suggests the claimed invention. While

Silverman describes an order management system and Millard describes indications to trade

securities, the references fail to teach or suggest combining these aspects to arrive at the claimed

invention, namely a system and method for interfacing with an order management system (OMS)

that includes:

(1)   reading records reflecting orders for securities from an OMS database; and

(2)   deriving non-binding indications to trade securities from such data records, and

automatically providing such indications to an Electronic Trading Marketplace

(ETM).

Note 1 - In response to applicant's argument that there is no suggestion to combine the

references, the examiner recognizes that obviousness can only be established by combining or

modifying the teachings of the prior art to produce the claimed invention where there is some

teaching, suggestion, or motivation to do so found either in the references themselves or in the

knowledge generally available to one of ordinary skill in the art. See In re Fine, 837

F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988)and In re Jones, 958 F.2d 347, 21 USPQ2d 1941

(Fed. Cir. 1992). In this case, the Examiner has provided a rationale to combine references

and further cited Millard to provide suggestion to combine at Abstract, Para. 75 and at

Para.334, last three lines. Also, see Millard at Para. 66 regarding known OMSs and their

compatibility with the method described at Para. 64-65

As described in greater detail below, the claimed invention is not simply an OMS and

indications: the claims recite a particular relationship between the OMS and the

indications.

The Independent Claims

Each of the independent claims 1, 9,16, 23, 31 and 38 recite that the system/method

automatically provides non-binding indications, not firm orders, to the electronic trading

marketplace by reading information from an order management system database. As such, the

claimed invention does not simply involve an OMS and indications to trade securities, but

rather a specific relationship between an OMS and indications. More specifically, the claims

recite reading information from the OMS to automatically provide indications derived from the

data records read from the OMS.

In this regard, independent claim 1 recites:

> an interfacing module interfacing *with an* order management
>
> system (OMS) database and in communication with the)JTM for
>
> reading data records in the OMS database reflecting orders for

securities and for automatically providing non-binding indications to

trade securities derived from the data records in the OMS database

reflecting orders for securities to the ETM.

As such, claim 1 is directed to a system that interacts with an order management system

to read data records and automatically provide non-binding indications to trade securities

reflected in such data records to an ETM. Furthermore, claim 1 recites the relationship between

the OMS data records and the indications, namely that the "[indications are] derived from the

data records in the OMS database reflecting the orders for securities"

The remaining independent claims 9, 16, 23, 31 and 38 similarly recite this relationship. For
example, method claim 23 recites: "automatically providing non-binding indications to trade
securities derived from the data records to the electronic trading marketplace," and claim 38
recites "deriving non-binding indications to trade securities from the data records [in the
OMS database] reflecting orders for securities."
Applicants respectfully submit that the cited references fail to anticipate or render obvious

the claimed inventions.

Applicant describes Claim language.

The Claims Are Patentable Over Silverman

Applicants respectfully submit that Silverman fails to teach or suggest the claimed

combination of reading records in an OMS database and deriving non-binding indications to

trade securities based on such data records where such indications are automatically provided to

an electronic trading marketplace. *See Note 1.* Silverman is directed to a computerized method

and system for trading orders on an exchange trading floor. As described in Silverman, a trader

can initiate an order by entering it into an online order management system 130, which, in turn,

transmits the order to a handheld server 113 and to a computerized booth station 161-162. The

handheld server 113 can transmit the order to a handheld computing device 114-116, which can be

utilized by brokers on the exchange floor. Thus, Silverman purports to achieve the stated purpose

of "achieving greater order processing efficiency" and "more quickly [routing orders] to brokers

operating on the floor of the exchange, thereby leading to more timely customer service." Use of

the handheld devices 114-1 1 6 also allows brokers to "capture some of the order information

digitally at the point of sale, whereby costly transcription errors can be reduced." Silverman, col.

2, lines 39-45. *Applicant describes aspects of Silverman reference.*

While Silverman does discuss an order management system, it does so only in the context

meeting the aforementioned purposes of greater efficiency and quicker routing of binding orders,

not indications of interest. More specifically, the system of Silverman is used to route binding

orders to brokers on the exchange-trading floor. As such, Silverman simply does electronically

what had previously been performed manually, namely conveying an order received by a trading

desk to a broker on the exchange floor by having an exchange clerk manually deliver a copy of

the order. Indeed, this is the prior art upon which Silverman improves. See Silverman, col. 1, lines

36-49. There is no teaching or suggestion in Silverman to read orders from an OMS, to derive

non-binding indications from such orders, and to automatically provide such non-binding

indications to an ETM, as recited in the claims. *See Note 1. Also Applicants argue that the single*

reference, Silverman, fails to disclose the entire invention. The Examiner relied on Millard for

the non-binding indication limitation within the combination. Applicants seem to argue that

Silverman's interest in efficiency precludes combination with Millard to include non-binding

but does not clearly explain why this is so.

With regard to independent claim 9, the Office Action cites to the discussion of claim 1

and further to column 10, lines 28-34 of Silverman as teaching reading orders in a database. This

additional section of Silverman fails to cure the deficiencies noted above because they fail to teach

or suggest reading OMS database records and non-binding indications derived therefrom. In

response to applicant's arguments against the references individually, one cannot show

nonobviousness by attacking references individually where the rejections are based on

combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re

Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

Specifically, this section relates to the database manager and execution history database

of the handheld device 114-116. However, when reading Silverman on the claimed invention,

the Office Action considered the handheld devices 114-1 16 to be the ETM, not the OMS. As

such, this section of Silverman does not relate to the OMS and cannot teach or suggest reading

records in the OMS and indications of interest derived from such OMS records, as claimed.

Accordingly, Silverman fails to teach or suggest these claimed limitations. *Applicants fail to

address the citation of Millard at paras. 185 and 188 as cited above and in the prior Office

Action for the limitation of reading orders in a database. The Examiner understands

Applicants' silence on the citation form Millard to be agreement that it discloses the

limitation.*

The Claims Art Patentable Over Millard

Applicants also respectfully submit that while Millard describes indications, it fails to

teach or suggest the relationship between the OMS and the indications, as recited in the claims.

More specifically, Millard fails to disclose a method or system for interfacing with an order

management system to read data records relating to security orders, deriving non-binding

indications from such orders, and automatically providing such indications of interest to an ETM,

as claimed. *The Examiner relied on Silverman for the limitations of interfacing with an order*

management system to read data records relating to security orders, and automatically providing

such indications of interest to an ETM, not Millard. Millard was relied upon for the limitation

of non-binding indications and a rationale was provided for the combination of the two

references. In response to applicant's arguments against the references individually, one

cannot show nonobviousness by attacking references individually where the rejections are

based on combinations of references. See In re Keller, 642 F.2d 413, 208 USPQ 871 (CCPA

1981); In re Merck & Co., 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

In relying upon Millard, the Office Action cites to several different sections, including

paragraphs 34, 35 and 334. As an initial matter, Applicants note that paragraphs 34 and 35 are

taken from the background section of Millard, and relate to prior art electronic commerce

networks (ECNs}, whereas paragraph 334 relates to an embodiment of Millard. Accordingly, the

two discussions relate to different systems and therefore are not properly read as disclosing a

single embodiment or related embodiments. *Applicants fail to explain why the reading from*

these two areas of a single reference is improper.

Furthermore, Millard fails to teach or suggest reading records from an OMS. *The Examiner*

relied on Silverman for the limitation. The Office Action relies upon Milliard as disclosing (at

paragraph 334) non-binding indications for securities. By way of background, Millard is directed

to a network-based securities market that allows a plurality of member firms to trade securities.

According to Millard, a Member may view a Trading Floor display for viewing postings of

Members relating to a single security. Paragraph 332. As described in paragraph 334, a Member

may "make a non-binding, private acceptance of the terms of another Member's public posting.

The other Member would need to accept that private acceptance to conclude the negotiation."

While this paragraph describes, to a certain extent, non-binding indications, it does not disclose

reading records from an order management system database and automatically providing non-

binding indications derived from such records to an ETM, as recited in the independent claims.

Applicants effectively argue that Millard is not a 102 reference.

Indeed, Millard fails to teach or suggest any such interaction with an order management

system. *See Millard at para. 35, lines 1-2, at least.* In fact, Millard teaches away from non-

binding indications derived from OMS records

by requiring a Member to manually enter the parameters of an indication: *Applicant makes an*

assertion without explanation or supporting argument.

[0183] Add Listing

[0184] A Member desiring to post an indication of interest_ to acquire or transfer an

ownership interest in this security completes standardized posting forms on the

System to specify the Issuer, Security, Restrictions, aad desired terms of the

transaction.

No reading of information from an OMS is disclosed. Although Millard describes indications of

interest, Applicants respectfully submit that it fails to teach or suggest reading records in an OMS,

deriving non-binding indications from OMS records and automatically providing such indications

to an ETM, as claimed. ***Applicants effectively argue that Millard is not a 102 reference. The***

rejection was under 35 USC 103.

Moreover, paragraphs 34 and 35 are relied upon as teaching a system that "facilitates non-

binding indications to trade securities derived from OMS database orders: ' Office Action at page

3. However, nowhere in the cited section does Millard even mention an OMS, let alone deriving

non-binding medications from OMS database records. ***The Examiner relied on paras. 34 and 35***

to show the relation of the invention of Millard to the prior art (order management systems,

para 53, lines 1-2) to trading and non-binding indications (negotiation, para. 34, lines 6-12).

With regard to independent claim 9, the Office Action cites to the discussion of

claim 1 and further to paragraphs 185 and 188 of Millard. These additional paragraphs of

Millard fail to cure the deficiencies noted above because they fail to teach or suggest

reading OMS database records and indications derived therefrom. Specifically, paragraphs

185 and 188 of Millard simply suggest that a member can access previously entered orders.

This is a manual process, unrelated to the claimed reading of records in an OMS database

and deriving non-binding indications of interest from such records. ***The Examiner relied***

on Silverman for reading of records in an OMS database and Millard for non-binding

indications. Paras. 185 and 188 were cited to show that orders in Millard are read as in

Silverman.

The Combination Of Silverman And Millard Is Improper

Applicants further submit that combining the teachings of Silverman and Millard is improper, as contrary to the teachings and stated purpose of Silverman. Thus, according to the Manual of Patent Examining Procedure, Section 2143.01 ('the Proposed Modification Cannot Render the Prior Art Unsatisfactory for its Intended Purpose) and the cases cited therein, the proposed modification of Silverman in light of Millard is improper. Initially, Applicants respectfully note that this argument was previously presented, but not addressed in any subsequent Office Action.

Employing indications, as described in Millard, *in* the system of Silverman would result in a system for transmitting indications from the trader 120 (in Silverman), to the OMS 130, to

the handheld server 113, and, finally, to the handheld computing devices 114-116 used by the brokers on the exchange trading floor. There would be no reading of order records from the OMS to "automatically provide[e] non-binding indications to trade securities derived from [such records]" (claims 1 and 9}; no "processing data representative of non-binding indications of interest to trade securities, the indications derived from records reflecting orders for securities automatically read from an OMS database" (claim 16}; no " automatically providing non-binding indications to trade securities derived from the data records to the electronic trading marketplace" (claim 23}; and no "deriving non-binding indications to trade securities from the data records [in the OMS database] reflecting orders for securities" (claim 38).

As noted above, the purpose of Silverman is to increase efficiency and speed of routing ordersThe combination of Silverman and Millard would result in brokers on the trading floor having indications, which would need to be negotiated. *Applicants seem to suggest that*

negotiation is inherently incompatible with securities trading but do not explain why this is so. However, neither Silverman nor Millard provides a mechanism for the graders 120 to distinguish orders from indications or to identify to the brokers on the trading floor the parameters of which indications the trader 120 wants to negotiate. Also, there is no mechanism to allow the trader 120 to negotiate such indications. Presumably, the brokers would need to return to the respective traders 120 to obtain explicit instructions in the form of as order because an indication is non-binding and cannot be executed without a further, affirmative action by the trader. Such procedure would be time consuming and inefficient. Thus, the proposed combination of Silverman and Millard would be inconsistent with the stated purpose of Silverman (see col. 2, lines 39-45) and would render the system of Silverman unsuitable for its purpose of efficiently trading securities on the exchange floor. According to the Manual of Patent Examining Procedure, Section 2143.01 (The Proposed Modification Cannot Render the Prior Art Unsatisfactory for its Intended Purpose) and the cases cited therein, the proposed modification of Silverman in light of Millard is improper. For these additional reasons, Applicants respectfully submit that Silverman and Millard fail to render the claimed invention obvious. *Applicants argue that many presumed elements are not in the references; these same elements are not present in their claimed invention.*

Applicants' argument is based on the assertion that Silverman is dedicated to enhancing efficiency of order placement; this is an aspect of Silverman's invention. However, the essence of the Silverman invention is disclosed at the Summary of the Invention and is quoted here:

> Accordingly, this invention provides an order centric method and system for tracking orders implemented on a trading floor exchange. The system automatically routes orders to a booth and a floor broker according to a symbol associated with the particular security being traded.

The Examiner relied on Silverman for the limitations related to order management. Addition of the elements of Millard cited produces Applicants' invention as reasonably and broadly understood from the Claims.

The Dependent Claims Are further Patentable Over The Cited References

Applicants respectfully submit that the dependent claims are further distinguishable over the art of record. By way of example only, several claims are directed to two-way communication between the ETM and OMS. In this regard, claim 2 is directed to an interfacing module that "is further adapted to create data records in the OMS database responsive to execution information indicating trades of securities sent by the ETM." Thus, there is a two-way flow of information between the OMS and ETM and, more particularly, such that the interfacing module creates data records in the OMS database. *Communication is not two-way in the Claims. The flow of information in Claim 2, for example, is from the ETM to the OMS. The Claim language recites no information flow from the OMS to the ETM*

In meeting this limitation, the Office Action relies upon the °Execution Entry" item in the table at columns 11 and 12 of Silverman. However, such execution entry merely states that an execution record is created in the executions database of the handheld units 114-116. When reading Silverman on claim 1, the Office Action considered the handheld units 114-116 to be the ETM. See Office Action at page 3. Thus, this section of Silverman is directed to ETM records and fails to teach creating data records in the OMS database.

The execution entry of Silverman also references "retrieve order-execute from outbound queue and send to HHS 113" This notation simply suggests that a message is sent to the handheld server 113. When applying Silverman to the independent claims, the Office Action considered the handheld server 113 to be the interfacing module. Sec Office Action at page 3. Thus, the "Execution Entry" item why suggests information being sent to the interfacing module, not to the OMS and not to create records in the OMS, as recited in claim 2.

The Office Action also cites Milliard paragraph 220 as meeting limitations of claims of claim 2; however, paragraph 220 simply suggests that trade records are available to members for review. The paragraph does not suggest an interfacing module between the BTM and OMS to create data records in the OMS database based on the ETM. *Applicants' arguments set up an arbitrary wall between the functions of the ETM, interfacing module and OMS. The combined references show an OMS and storage of execution information for securities trades and a reasonable and broad interpretation of the claim language allows the combined art to read on the Claims.*

Accordingly, the cited references, both alone and in combination, fail to anticipate or render obvious claim 2 and the claims depending therefrom.

Similar to claim 2, claim 10 recites that the interaction modals "is further adapted to create data records in the ONLS database responsive to receive execution information indicating trades of securities executed at the ETM." In meeting this limitation, the Office Action cites to the "bi-directional arrows among elements at Figure 1" of Silverman. However, the only bi-directional arrow is between the wireless network to the handheld units I I4-I 16 and the handheld server 113. Because the Office Action considered the handheld units 114-116 to be the ETM and considered

the handheld server 113 to be the interfacing module, this bi-directional arrow is between the ETM and the interfacing module. See Office Action at page 3. In contrast, claim 10 requires two-way communication with the OMS. Because there is no discussion of two-way communication with the order management system 130 of Silverman and no discussion of the creation of records in the OMS of Silverman based on the ETM, claim 10 is further distinguishable from the cited references. *See comments regarding Claim 2.*

Applicants also note that with regard to claim 10 the Office Action makes the conclusory statement that "it would have been obvious to provide such bi-directional communication to keep the ETM and OMS databases synchronized with respect to trading data." Applicants respectfully disagree and request the basis for such conclusion. *Applicants seem to argue that it is new or unobvious to maintain updated, consistent information among differing storage areas holding data which must be kept consistent among these storage areas. The Microsoft Press Computer Dictionary, Third Edition, 1997 defines synchronization as "in application or database files, version comparisons of copies of the files to ensure that they contain the same data." Synchronization between OMS and ETM would be necessary to assure that the two databases were consistent. Also see, Buist at Col.10, lines 7-25 for an example of synchronization of securities trading databases.*

With the present invention, the need for updating the OMS stems, in part, from the ability (but not the requirement) of the OMS to be used in connection with markets external to the ETM. The present invention contemplates the OMS being used by traders to place binding orders in other markets. Thus, the OMS must be kept current, reflecting executions through the ETM, so that only unfilled orders remain in the OMS and are sent to such other markets. In contrast, the order

management system 130 of Silverman is coupled to a single market (i.e., the handheld devices 114-1 I6) and is not subject to transactions on external markets. Therefore, Silverman does not have the same need to monitor the handheld devices and update its order management system 134. *Millard likewise discloses that trading occurs in multiple markets to" display, in a single unified marketplace all bids and offers for all types of securities of a given issuer". See para. 14.*

Similar to claims 2 and 10, claims 24, 32 and 39 also recite, to varying degrees, communication with the OMS, namely the creation of records in the OMS in response to the ETM. As such, the claims are also not anticipated or rendered obvious *by* the cited references. *See above.*

In addition to claims related to creating records in the OMS, certain dependent claims directed to two-way communication between the OMS and ETM relate to updating the ETM. For example, claim 14 recites "a module for determining whether the data records *in the OMS* database . .. are changed," "a module for determining whether the changed data records should be provided to the ETM" and "a module ... to provide order information corresponding to the changed data records to the ETM." Thus, the claimed interfacing module is able to reflect in the ETM changes in the OMS. Because a trading firm uses its OMS to place orders in markets other than the ETM, the records in the OMS will change. Once tire OMS record changes, the indication on the ETM can be correspondingly changed. *See above.*

In meeting the limitations of claim 14, the Office Action cites to Silverman, col. 4, lines 29-41. Applicants respectfully submit that Silverman fails to teach or suggest the claimed

subject matter. The cited section of Silverman merely describes a booth clerk allocating order

executions with the updated "leaves" (i.e., remaining order or portion of order to be filled) being

sent to the handheld devices 114-116. As such, the information sent to the handheld devices

1 i4-116, which are considered by the Office Action to read on the ETM, is merely. the manual

allocations made by booth clerks and is not based on changes to OMS records, as recited in the

claim. Column 6, lines 19-24 make clear that no information is sent based on changes to the

OMS.

> Allocations performed by the clerk are in turn transmitted to the
>
> HHS 113 and logged. The allocations are also transmitted from the
>
> HHS 113 to the floor broker via *a* handheld 114-116 computing
>
> device 114-116.

The OMS is not reviewed for changes; it is not even mentioned. *See the discussion of Claims 10*

regarding synchronization of trading databases.

That Silverman fails to disclose updating ETM records based on changes to the OMS is

understandable. While embodiments of the present invention contemplate the trader's OMS being

used to execute trades on markets other than the ETM, the order management system 130

of Silverman is not coupled to a market other than the handheld devices 114-116. Thus, while

records in the OMS being used with the present invention may change based on external

transactions, the order management system 130 of Silverman is not subject to external transactions

and therefore does not have the same need to monitor the order management system and update its

orders.

Accordingly, Applicants respectfully submit that claim 14, and the claims depending therefrom, are further distinguishable over cited references. Furthermore, claims 29, 36 and 42 similarly recite limitations directed to updating indications at the ETM based on changes to the OMS records. As such, Applicants respectfully submit that claims 29, 36 and 42, and the claims depending therefrom, are similarly distinguishable over the cited references.

See above.

The rejections are maintained.

Conclusion

THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Charles R Kyle whose telephone number is (703) 305-4458. The examiner can normally be reached on M-F 6:00-2:30.
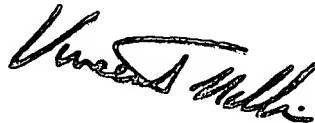
If attempts to reach the examiner by telephone are unsuccessful, the examiner's

supervisor, Vincent A Millin can be reached on (703) 308-1065. The fax phone number for the

organization where this application or proceeding is assigned is 703-305-7687.

Information regarding the status of an application may be obtained from the Patent

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applications is available through Private PAIR only. For more information about the PAIR

system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR

system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

crk
July 26, 2004

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